

Senate Committee on Commerce and Tourism

A meeting of the Senate Committee on Commerce and Tourism was held Tuesday, May 18, 2009 at 2:30 p.m. in room 100 of the Farnum Building.

The meeting was called to order at 2:35 p.m.

Members present: Senators Allen, Nofs, Clarke and Hunter

Members excused: Senator Stamas

Senator Allen called the meeting to order.

Senator Clarke moved to adopt the minutes from the meeting held Tuesday, March 23, 2010 with unanimous consent. Senator Hunter supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Hunter moved to adopt the minutes from the meeting held Wednesday, March 24, 2010 with unanimous consent. Senator Clarke supported the motion. By unanimous consent, the minutes from the meeting were adopted.

Senator Allen laid before the committee for consideration Senate Bills 1037 and 1038.

Ken Osborne testified in explanation of the bills, reminding members that the committee had taken testimony on this package earlier this year. Mr. Osborne further explained the differences between the S-1 substitutes on each bill.

For discussion purposes, Senator Allen asked for the adoption of the S-1 substitute for SB 1037.

Senator Clarke moved to adopt the substitute (S-1) to Senate Bill 1037. Senator Nofs supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Stamas (1)

Tom Martin, representing the Department of Energy, Labor, and Economic Growth (DELEG), testified that the department was neutral on the bills. Mr. Martin stated that there has been substantial improvements from the initial start, but that changes were still needed. Senator Clarke asked Mr. Martin to explain his comments regarding the Worker's Compensation section of the bill. Mr. Martin stated that DELEG believes that rather than include the Worker's Comp language in the bill, it should make reference to the Worker's Compensation Act. Mr. Martin further stated that he believed that the language used in the bill was consistent with the Worker's Compensation Act.

Rusty Merchant, representing Axios Inc., testified in support of the bills.

Seth Seidell, representing PEOs in Michigan and Human Capitol, testified in support of the bills. Mr. Seidell indicated that his organizations were working with DELEG to further iron out concerns and remarked on the progress that had been made.

Rob Elhenicky, representing ADP Total Source, supported the bills and did not wish to testify.

Bret Marr, representing Administaff, supported the bills and did not wish to testify.

Matt Levin, representing the Unemployment Insurance Agency, testified that he was neutral on the bills and that the UIA was working with DELEG and interested parties on the legislation.

Senator Clarke moved that Senate Bill 1037 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter(4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Stamas (1)

Senator Hunter moved that Senate Bill 1037 (S-1) be given immediate effect. Senator Nofs supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)

Nays: none (0)

Pass: none (0)

Excused: Senator Stamas (1)

Senator Nofs moved to adopt the substitute (S-1) to Senate Bill 1038. Senator Clarke supported the motion. By an affirmative vote of the majority of members serving, the substitute was adopted. Voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)

Nays: none (0)
Pass: none (0)
Excused: Senator Stamas (1)

Senator Hunter moved that Senate Bill 1038 (S-1) be reported out of committee with the recommendation that the bill then pass. Senator Nofs supported the motion. The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter(4/5)
Nays: none (0)
Pass: none (0)
Excused: Senator Stamas (1)

Senator Hunter moved that Senate Bill 1038 (S-1) be given immediate effect. Senator Clarke supported the motion.

The motion prevailed by an affirmative vote of a majority of the members appointed to and serving on the committee, voting as follows:

Yeas: Senators Allen, Nofs, Clarke and Hunter (4/5)
Nays: none (0)
Pass: none (0)
Excused: Senator Stamas (1)

Senator Allen laid before the committee Senate Bill 1282 (Sen. Hunter). Senator Hunter requested that the committee first take testimony on House Bill 4986 (Rep. Young), which is a related matter to SB 1282.

Senator Allen asked that Diandre Hayes, representing Representative Coleman A. Young, come forth to explain the legislation. Ms. Hayes explained that the bills would help residents rightfully receive a tax abatement as residents in a Neighborhood Enterprise Zone (NEZ). Senator Allen asked Ms. Hayes about the H-3 substitute, which would discriminate between NEZ that are exempt from the School Education Tax and those that are not. Ms. Hayes said that other residents did not seem concerned when meetings were held in the district, but that they would work on the bill to address these concerns. Senator Allen thanked Ms. Hayes for her testimony, and also noted that Rep. Young had left the House session to speak to him before the committee meeting started. Senator Allen appreciated his efforts.

Senator Hunter added that his bill, Senate Bill 1282, addresses a similar issue and that combining the language between the two bills with a substitute could address these concerns. Senator Allen indicated that further work would be done on both bills.

Larry Steckelberg, representing the Treasury Department, testified that the department was neutral on the bills.

Senator Allen laid before the committee House Bill 5756 (Rep. Lindberg).

Craig Brunet, representing Representative Lindberg, testified in explanation of the bill. Matt Levin, representing the UIA, also testified with Mr. Lindberg in support of the legislation. Mr. Brunet noted that the bill would bring Michigan into conformity with federal law, and that without passage of this legislation employers would risk their FUTA credit.

Senator Allen stated that next week's hearing would continue work on the legislation that had testimony today, and that the Transit package would also be reviewed.

Senator Allen adjourned the committee 2:58 p.m.

Respectfully Submitted,

Lauren K. Michalak
Committee Clerk

Jason E. Allen
Chairman

Date Approved by Committee